

# Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION  
INTELLIGENCE DIVISION

August 2001

## THAILAND: COUNTRY BRIEF



### STATUS IN INTERNATIONAL DRUG TRAFFICKING

Thailand's role as the primary conduit for Southeast Asian (SEA) heroin produced in Burma has lessened in recent years as Thai drug law enforcement capabilities have become more sophisticated and effective. This has forced traffickers to seek alternate routes. More heroin is now shipped through China, Cambodia, and Laos. However, Thailand remains a primary center of operations for heroin traffickers. The country's

modern communications and transportation systems facilitate arrangements for drug transactions.

The opium poppy is cultivated in Thailand largely for domestic consumption, but opiate production does not meet local demand so raw opium is also imported from Burma and Laos. Cannabis cultivation also takes place, but most of the marijuana produced is shipped to foreign markets. Some methamphetamine production takes place in Thailand, but most of the methamphetamine consumed originates in Burma.

Methamphetamine use has increased to such a degree during the past few years that the Thai Government considers it a threat to national security.

## CULTIVATION AND PROCESSING

### Opium

Hill-tribe farmers in northern Thailand have cultivated opium poppies for hundreds of years for medicinal and cultural purposes. To escape detection, poppies are often intermingled with other crops. The growing season traditionally begins in late August or early September and some planting is done as late as October. Since planting is staggered, harvesting can last from November until March. The principal opium poppy-growing areas are the Provinces of Chiang Mai (the largest area of cultivation), Chiang Rai, Mae Hong Son, and Nan. Lesser amounts are grown in adjacent northern provinces. Dispersed fields, often found on steep mountain slopes above 3,000 feet, have decreased in size in recent years due to eradication efforts and alternative crop programs initiated in the 1980s.



Opium gum collection

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In 2000, opium production in Thailand reached an estimated 4.47 metric tons, a decrease of 25.5 percent from the 6 metric tons of the previous year. A typical opium poppy field in Southeast Asia has 250,000 poppy plants per hectare, with a range of between 300,000 and 500,000 opium-producing pods. The opium yield from a single pod varies greatly, ranging from 10 to 100 milligrams of opium gum per pod. The average yield of raw opium gum per pod is approximately 80 milligrams. The dried opium yield ranges from 8 to 20 kilograms per hectare. Land used for opium poppy cultivation totaled 398 hectares. In an effort to avoid total eradication of their opium poppies, several years ago, some farmers began planting a second opium poppy crop—now five or six crop cycles are not uncommon. The poppy cultivation season has lengthened from 3 to 8 months.

## **Heroin**

Heroin refining activity in Thailand was minimal in the early 1990s. A resurgence in refining activity in 1996 and 1997 resulted from the January 1996 surrender of the Shan United Army (SUA), then Burma's dominant heroin trafficking organization, to the Burma Army (BA). The SUA's well-organized drug trafficking activities ground to a halt and the BA and the United Wa State Army (UWSA) occupied territory previously held by the SUA. This forced SUA remnants still engaged in drug trafficking to relocate their refineries. New refineries, with reduced production capacities, were established in neighboring Thai territory.

## **Cannabis**

In the 1970s and 1980s, Thailand ranked as Southeast Asia's major cultivator of cannabis and producer of marijuana in the form of "Thai sticks." Successful eradication campaigns forced Thai marijuana traffickers to relocate cultivation from northeastern Thailand to neighboring Laos. Some cultivation, however, still occurs in the northeastern region as well as the northern and southern regions of Thailand.

Cannabis cultivation in the Northeast is concentrated in the Provinces of Nakhon Phanom, Mukdahan, and Sakhon Nakhon. The primary region of commercial cultivation lies in the Tachana and Pato Districts of Chumporn Province and in the Sichom District of Nakornsithamarat Province. Growers plant cannabis usually among banana trees and chili shrubs to avoid detection. A hectare (6.23 rai) yields about 3,115 plants. It is estimated that Thailand produced 107 metric tons of marijuana in 1999.

## **Methamphetamine**

Most of the methamphetamine feeding Thailand's growing abuse problem comes from laboratories controlled by the UWSA, the largest opiate and methamphetamine trafficking organization in all of Southeast Asia. However, production also occurs in 18 Thai provinces. Most of the chemicals used to produce methamphetamine comes from China. The precursor ephedrine is readily available in the Chinese city of Kunming in Yunnan Province, which borders Burma. It is transported from Kunming either by truck via Keng Tung, Burma, or by boat along the Mekong River to northern Thailand.

Some trafficking organizations in northern Thailand, using either rotary tableting machines or single-punch machines, can produce large quantities of tablets per hour. Small-scale producers may make only about 1,000 tablets a day. According to one source, these traffickers often buy tablets from major producers, crush the tablets, use additives, and then make new tablets with different logos. They then sell these low-quality tablets to poorer people.

According to Thai authorities, the tablets called “amphetamine” in Thailand are, in fact, methamphetamine hydrochloride (HCl) mixed with caffeine, a binder, and a coloring agent. The amount of methamphetamine HCl in each tablet is between 20 and 30 percent. Another form of methamphetamine, powdered crystal methamphetamine, aka “Ice,” is produced mainly in China and North Korea.

## TRAFFICKING

### Heroin

Major international SEA heroin trafficking groups are dominated by ethnic Chinese who reside in Thailand, as well as throughout Southeastern Asia. They handle the essential trafficking functions such as financing, transportation, concealment, and contacts with heroin suppliers, foreign buyers, and money launderers. Contacts with American, African, European, and other foreign buyers are handled in metropolitan areas, especially in Bangkok. Ethnic Thais are generally found in the lower or middle echelons of major international trafficking syndicates.



**Half units of Double UOGLOBE brand-marked heroin**

The major syndicates have long-established contacts in Burma with representatives of armed ethnic trafficking organizations (such as the UWSA), which produce the heroin. Contacts are also maintained with the northern Thailand-based remnants of Chiang Kai-shek’s Third and Fifth Chinese Irregular Forces, still significant trafficking groups, but now primarily functioning as brokers in large drug transactions. Members of hill tribes, such as the Akha, Lisu, and Lahu, native to the northern borders of both Thailand and Burma, often serve as cross-border transporters and distribution agents for these syndicates.

Small-scale suppliers serve the domestic demand for heroin. They are predominantly ethnic Thais, who do not have access to international trafficking networks. Many of the SEA international traffickers have residences and businesses in Thailand. Other international traffickers utilize Bangkok and Thailand’s beach resorts as a central location for meetings, negotiations, and the laundering of proceeds of drug transactions. Ethnic Chinese traffickers residing in Thailand and other SEA countries dominate the major drug trafficking groups. High-level Chinese traffickers in Southeast Asia, and in the United States and Canada, prefer to deal primarily with other ethnic Chinese. This Chinese-to-Chinese interaction is a form of insulation from some aspects of law enforcement.

## **Cannabis**

Because of successful eradication efforts by the Thai Government, most marijuana is now produced in the neighboring countries of Laos or Cambodia. Thai traffickers, however, finance these operations.

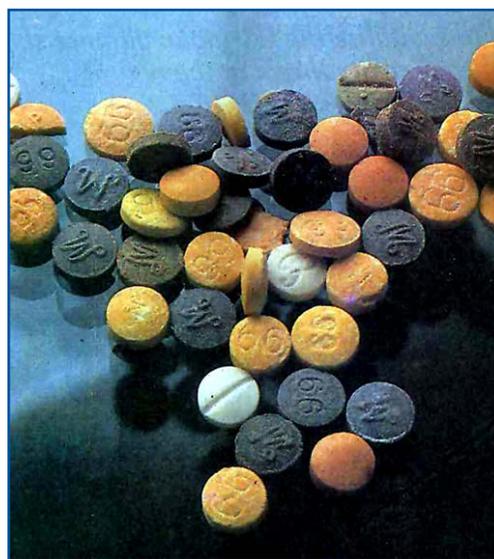
## **Methamphetamine**

Many of the same international SEA heroin trafficking groups also traffic in methamphetamine. Many of the laboratories where methamphetamine tablets are produced are co-located with heroin refineries. Many of these methamphetamine laboratories are either operated by, or under the control of, the UWSA. It is estimated that the UWSA provides up to 80 percent of the methamphetamine tablets consumed in Thailand. It is further estimated that as many as 50 methamphetamine laboratories located in Burma will produce from 600 to 700 million tablets for the Thai market in 2001. Government sources estimate that 600 million tablets were smuggled into Thailand during 2000. Between January and August 2000, authorities seized 4,752 kilograms of methamphetamine tablets.

The market for this substance is lucrative and production costs are low. Trafficking organizations realize greater profits from selling methamphetamine than from the sale of heroin. Also, chemical precursors are readily available and production of methamphetamine is less complicated than producing SEA heroin #4.

## **MDMA/Ecstasy**

Most of the Ecstasy found in Thailand comes from the Netherlands, currently the world's primary producer. Wealthy young Thais, who frequent night clubs and "rave" parties, are the primary users of Ecstasy. Ecstasy-related seizures and cases increased from 4,520 tablets and 99 cases in 1998, to 22,000 tablets and 175 cases in 1999. In the first 8 months of 2000, two cases resulted in the seizure of 25,000 tablets.



**MDMA tablets**

Intelligence gained as a result of several arrests in Bangkok, reflects that a Singaporean drug trafficking group is smuggling heroin from Bangkok to Singapore,

Hong Kong, Taipei, and Europe, then returning to Southeast Asia with Ecstasy purchased in Amsterdam. One route for this heroin is from Bangkok to Frankfurt, Germany, via Singapore. The ultimate destination of the heroin was Amsterdam. With the proceeds from the sale of heroin, Ecstasy is purchased in Amsterdam and smuggled back to Southeast Asia for sale on the Asian market.

## **Cocaine**

Prior to 1996, cocaine importation and trafficking were rare occurrences, and while still not a major problem, cocaine availability has increased; this is evidenced by the more frequent cocaine seizures taking place in Thailand and other countries in Southeast Asia. Use is largely confined to wealthy Thai nationals, resident aliens, and tourists.

The first known cocaine seizure occurred in March 1991, when Royal Thai Customs found 8.5 kilograms on a cargo ship sailing from Barranquilla, Colombia. There were no indications that the drug was intended for import or sale in Thailand. In July 1993, the first seizure of cocaine, intended for domestic consumption, took place at Bangkok's international airport. Two Thai nationals were apprehended trying to smuggle about a kilogram of the substance that they had obtained in Los Angeles, California. In southern Thailand, in late December 1994, a British national was arrested for attempting to distribute about 600 grams.

Current investigations in Thailand reflect that a group of traffickers are involved in the distribution of cocaine and Ecstasy in Bangkok and are also smuggling cocaine and Ecstasy to Australia.

Four couriers associated with a Nigerian drug trafficking group were arrested and a total of 12.24 kilograms of cocaine were seized (between January 24 and April 22, 2001). The courier flights originated in Peru, the arrests took place in Argentina, and the couriers' destination was ultimately Bangkok via Kuala Lumpur, Malaysia.

In general, cocaine seizures in Southeast Asia, especially Australia, have increased in the last few years.

## **West African Heroin Traffickers**

The West African international drug traffickers who reside in Southeast Asia and specifically in Thailand should not be classified as an organization, but are in fact a number of groups that traffic in drugs from Southeast and Southwest Asia to drug trafficking markets throughout the world, especially to the United States and Canada. No one West African organization has been shown to be the dominant or lead trafficking group in the world, and no hierarchy or command structure has been identified with regards to West African traffickers.

The most prominent and active group of non-Asians buying heroin in Thailand in recent years has been West Africans, particularly Nigerians. Usual purchases amount to no more than 1 or 2 kilograms. During the past decade, they have used a variety of smuggling methods, including couriers, containerized cargo, and express mail services. West Africans, especially the Nigerians, rely heavily on couriers to smuggle drugs throughout the world.

Due to shortages of heroin in the Bangkok area in mid-1996 and the resulting high prices, some of Bangkok's Nigerian traffickers bought Southwest Asian (SWA) heroin in Pakistan for about US\$6,000 per kilogram and smuggled it to Thailand. (Heroin obtained in Pakistan originates in Afghanistan, the world's largest opium producer.) Some was sold to other Nigerian traffickers as SEA heroin. Reportedly, small quantities of SWA heroin could be bought on the streets of Bangkok. There were a few known incidents of SWA heroin trafficking in Thailand in 1997, and none in 1998. In 1999, and throughout 2000, however, West African traffickers began to send couriers to Pakistan again to buy cheaper heroin. In Bangkok, a kilogram of SWA heroin sells for between US\$10,000 and US\$12,000. The same quantity of SWA heroin can be purchased in Pakistan for between US\$3,500 and US\$5,000.

Authorities at Bangkok's international airport have arrested a number of couriers who were in possession of SWA heroin. The couriers' nationalities included Nepalese, Swazi, Uzbek (ethnic Russian women), and Pakistani. In several post-arrest interviews of the couriers, several admitted that they were in the employ of West African traffickers. There have been instances where couriers smuggled heroin to Europe, and the proceeds were used to purchase Ecstasy. The Ecstasy was then smuggled back to Thailand. These groups have also smuggled heroin from Asia and traded for cocaine that is eventually smuggled back to Thailand.

According to Thai law enforcement officials, most of the Ecstasy being smuggled into Thailand is by the same groups or organizations that are smuggling heroin to Europe.



**Custom official removing a package of heroin from a containerized bundle**

## **Containerized Cargo**

SEA drug traffickers, many of whom are located in the Golden Triangle (Burma, Laos, and Thailand), specifically Thailand, form limited partnerships for the purpose of executing specific drug transactions. Many times, these limited partnerships utilize containerized cargo to smuggle large quantities of drugs within Southeast Asia, and to drug markets throughout the world. Drugs are transported from source countries to transshipment countries and then to drug markets around the world.

## **DRUG-RELATED MONEY LAUNDERING**

SEA traffickers avoid the commercial banking system, when laundering their drug-related proceeds, by using the Chinese Underground Banking System (CUBS). This relatively unregulated, organized banking system (based upon family and business associations) makes tracing a specific monetary transaction difficult because minimal records are maintained. Instead, the CUBS system relies on the trust that exists in these largely familial organizations. In essence, the underground banker is given money and the name and phone number of the receiver in Southeast Asia. The sender is given a receipt, which has no legal authority, but serves only as a reminder that CUBS has the sender's money. Once the money is transferred from a drug-consuming country to Southeast Asia, the receipt is presented and the money is retrieved, minus a nominal fee. Profits are used to buy real estate, commercial property, apartments, and stores.

Since the 1991 passage of asset seizure legislation and its implementation in 1992, 1,003 cases involving over US\$22 million in assets have been brought to court.

Thailand passed money laundering legislation covering seven predicate offenses, including drug violations, in March 2000. Implementing regulations became effective in September 2000, and reporting requirements for all financial transactions of more than 50 million baht (US\$1,250,000) began on October 27, 2000.

On February 26, 2001, Thai counterdrug officials seized approximately 30,700,000 baht (US\$767,500) from a money launderer in Bangkok. This subject laundered money for an individual, who had ties to members of the UWSA, and who was smuggling heroin to Thailand and to the international market. The money was transferred from banks in Bangkok to gold shops in Burma and ultimately to individual accounts in banks located in Burma.

## **DRUG ABUSE AND TREATMENT**

Methamphetamine, the most commonly abused drug, for many years was confined to those who worked long hours, such as taxi and truck drivers. Methamphetamine is now widely available and its use has spread throughout all segments of society.

Unlike cocaine and MDMA, methamphetamine is relatively inexpensive. Cocaine and Ecstasy are abused by a small percentage of wealthy young Thai nationals, resident aliens, and tourists who can afford the more expensive stimulants.

A U.S. Government-sponsored study by the Thailand Development Research Institute, published in 1995, estimated that 1.27 million people, or 2.2 percent of the total population, were addicted to drugs of all types. This figure rose to 2 million by 2000. Other drugs used included inhalants (paint thinner and/or glue) and marijuana. Heroin users numbered 200,000, with Bangkok having the highest concentration. Opium users, mostly members of the northern hill tribes, number 110,000. Drug abuse treatment efforts include inpatient and outpatient detoxification, therapeutic communities, religion-based rehabilitation institutions, and self-help efforts. Prevention materials are integrated into the educational curriculum by the Ministry of Education, and many agencies work to inform the public about the dangers of drug abuse.

## **DRUG ENFORCEMENT AGENCIES AND LEGISLATION**

The Office of the Narcotics Control Board (ONCB), the Police Narcotics Suppression Bureau, and the Royal Thai Army's Third Region Command, which covers north Thailand, are primarily responsible for the implementation of national level drug enforcement programs. These agencies coordinate with local police and enforcement bodies such as the Border Patrol Police, Provincial Police, and the Royal Thai Customs Service.

U.S. assistance to Thailand under the crop control project began in 1978 and helped Thailand's newly organized ONCB establish a crop control division. However, before the crop control project was initiated, the United States and other international donors provided substantial developmental aid for programs to assist hill-tribe farmers in the cultivation of viable alternative crops and the infrastructure to get those crops to market. After these economic alternatives were established in most areas, the Royal Thai Government initiated the opium eradication campaign in 1984.

Eradication teams allowed long-time opium addicts to cultivate small plots for personal use and provided emergency assistance to growers whose sole means of income was the sale of opium. As the opium eradication program became more comprehensive, opium fields became smaller and widely dispersed, often in very remote and difficult-to-reach mountainous areas.

## **TREATIES AND CONVENTIONS**

Thailand is a party to the 1961 Single Convention on Narcotic Drugs, the 1972 Protocol to the Single Convention, and the 1971 Convention on Psychotropic Substances. An extradition treaty with the United States became effective in May

1991. Legislation was passed in 1992 for a Mutual Legal Assistance Treaty, and instruments of ratification were exchanged in 1993.

Thailand controls precursor chemicals as required by the 1988 United Nations Drug Convention and also complies with this treaty regarding money laundering legislation.

Thailand has been extremely cooperative with the United States under the bilateral extradition treaty. Since 1991, the government has extradited more than 50 criminals/fugitives to the United States; more than 43 of whom were wanted for drug trafficking. Included in this number are 13 who were arrested as a result of a very successful 1994 joint DEA–Royal Thai Police effort, Operation TIGER TRAP. This operation targeted trafficking members of the SUA in Burma who were responsible for shipping multiton quantities of heroin to the United States.

Thailand is a signatory to the United Nations Drug Control Program Memorandum of Understanding on Sub-Regional Narcotics Cooperation. The other participants are Burma, Cambodia, China, Laos, and Vietnam. Thailand is also a member of the United Nations Commission on Narcotic Drugs, and is ASEAN's (Association of Southeast Asian Nations) law enforcement coordinator for the Senior Officials on Drugs group.

#### **SIGNIFICANT SEIZURES – 2001**

- On January 7, 2001, DEA Songkhla and DEA Bangkok, in conjunction with Thai counterdrug officials, interdicted a fishing vessel and seized 116 kilograms of heroin and 10 drums containing 7,700,000 methamphetamine tablets.
- On January 11, 2001, Thai counterdrug officials seized 1 million methamphetamine tablets from a vehicle, which had crossed over into Mae Sai, Thailand, from Tachilek, Burma.

#### **SIGNIFICANT SEIZURES – 2000**

- An investigation conducted in September and October by Thai counterdrug officials in Bangkok resulted in the seizure of 1,948,000 methamphetamine tablets.
- On October 6, 2000, Thai counterdrug officials seized 2,550,000 methamphetamine tablets.
- On October 10, 2000, Thai counterdrug officials seized 2,000,000 methamphetamine tablets in Bangkok.

#### **OUTLOOK**

- Despite successful law enforcement efforts, Thailand remains a primary center for

SEA heroin trafficking operations. Thailand is also used as a transit area for SWA heroin.

- Bangkok will continue to serve as a center for large-scale drug transactions by individuals representing major trafficking groups from the United States, Canada, Taiwan, Hong Kong, Australia, Nigeria, and Europe.
- Thailand-based ethnic Chinese handle all essential trafficking functions and continue to dominate major international heroin trafficking groups. Ethnic Thais are generally found in the lower to middle echelons of the major trafficking organizations.
- Thailand continues to be successful in eradication efforts and drug enforcement legislation.

## STATISTICS AND ENFORCEMENT ACTIONS (1996 – 2000)

<b>Opium</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Potential Harvest</b> (hectares)	2,170	1,650	1,350	835	890
<b>Eradication</b> (hectares)	880	1,050	715	808	757
<b>Cultivation</b> (hectares)	3,050	2,700	2,065	1,643	1,647
<b>Potential Yield</b> (metric tons)	30	25	16	6	6
<b>Potential Heroin</b> (metric tons)	2 1/2	2	1 1/3	1/2	1/2
<b>Cannabis</b>					
<b>Potential Harvest</b> (metric tons)	0	0	0	107	—
<b>Eradication</b> (hectares)	85	0	0	0	—
<b>Seizures</b>					
<b>Opium</b> (metric tons)	0.630	0.440	1.500	0.720	0.620
<b>Heroin</b> (metric tons)	0.290	0.310	0.530	0.320	0.390
<b>Cannabis</b> (metric tons)	6.50	45.25	6.00	9.00	44.00
<b>Ecstasy</b> (tablets)	0	0	4,520	22,000	0
<b>Other Data</b>					
<b>Heroin Laboratories Destroyed</b>	2	3	1	0	0
<b>Meth Laboratories Destroyed</b>	1	19	13	14	9
<b>Drug Arrests</b> (thousands)	125	158	186	205	133
<b>Other Data</b>					
<b>Opium Consumed</b> (metric tons)	60.0	60.0	60.0	60.0	60.0
<b>Heroin Consumed</b> (metric tons)	4.0	4.0	4.0	4.0	4.0
<b>Opium Users</b> (thousands)	111	111	111	111	111
<b>Heroin Users</b> (thousands)	220	220	220	220	
<b>Methamphetamine Users</b> (millions)					2.7

## DRUG PRICES FOR 2001 (in US Dollars)

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### Opium

Northern Thailand	\$312.00 - \$625.00 per kilogram
Northeastern Thailand	\$500.00/Raw \$875.00/Processed
Southern Thailand	\$150.00 - \$250.00
Bangkok	No Prices

### Heroin 82% - 92+% purity price

Chiang Mai	\$7,500 per unit
Bangkok	\$8,000 - \$11,000 (700 grams)
Songkhla	\$9,500 per kilogram
Chiang Mai (northern Thailand)	\$7,857 - \$10,357
Songkhla (southern Thailand)	\$10,715 - \$14,285
Udon (northeastern Thailand)	\$9,125 - \$10,750
Bangkok	\$10,000 - \$13,000

### Cannabis per kilogram

Bangkok	\$125.00 - \$138.00
Northeastern Thailand	\$47.00 - \$58.00

### Methamphetamine 22% -28% purity price per tablet

Thai/Burma border	\$.75 - \$1.75
Bangkok	\$1.00 - \$1.88
Southern Thailand	\$2.50 - \$4.00
Northeastern Thailand	\$.83 - \$1.13

### Cocaine per gram (retail)

Bangkok	\$88.00
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### Ecstasy price per tablet

Bangkok	\$15.00 - \$30.00
Southern Thailand	\$25.00 - \$37.50

**Note: Prices converted from Thai baht to US dollars—40 Baht = US\$1**

This report was prepared by the Europe, Asia, Africa Strategic Unit (NIBE) of the Office of International Intelligence. This report reflects information through February, 2001. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.